

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 EB-11 CIAE-00 DODE-00 PM-07 H-03

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E.O. 11652: N/A

TAGS: ELAB, EIND, VE

SUBJ: FEDECAMARAS PRESIDENT ATTACKS CALDERA

SUMMARY: IN ONE OF THE SHARPEST PUBLIC CRITICISMS OF PRESIDENT CALDERA SINCE HE ASSUMED OFFICE, THE PRESIDENT OF FEDECAMARAS HAS ACCUSED CALDERA OF CREATING FURTHER DIFFICULTIES FOR VENEZUELA'S TROUBLED AGRICULTURAL SECTOR. THIS CRITICISM REFLECTS CURRENT UNEASE WITHIN THE PRIVATE SECTOR AT THE SOCIALISTIC AND NATIONALISTIC STANCE TAKEN BY CALDERA IN THE FINAL WEEKS OF HIS ADMINISTRATION. END SUMMARY.

1. ALFREDO PAUL DELFINO, PRESIDENT OF FEDECAMARAS (FEDERATION OF VENEZUELAN CHAMBERS OF COMMERCE AND INDUSTRY), ON JANUARY 12 DELIVERED A STINGING REBUKE TO PRESIDENT CALDERA FOR THE LATTER'S REMARKS CONCERNING ADOPTION OF REVISED REGULATIONS TO THE VENEZUELAN LABOR LAW (BEING REPORTED SEPARATELY) WHICH CALDERA HAD MADE AT HIS WEEKLY PRESS CONFERENCE ON JANUARY 10. ON THAT OCCASION CALDERA HAD DEFENDED THE NEW REGULATIONS GIVING FARM LABORERS BENEFITS EQUIVALENT TO THOSE OF CITY WORKERS AND HAD, IN EFFECT, ACCUSED AGRICULTURAL ENTREPRENEURS OF EXPLOITING THE RURAL LABOR FORCE.

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2. DELFINO CHARGED CALDERA WITH TRYING TO EXCITE "PUBLIC HATRED

AND CONTEMPT" FOR AGRICULTURAL ENTREPRENEURS. DELFINO STATED THAT THE LATTERS' VOLUNTARY EFFORTS TO IMPROVE THEIR LABORERS' WORKING CONDITIONS HAD BEEN HINDERED BY VENEZUELA'S CURRENT AGRICULTURAL DEPRESSION AND THAT MEANWHILE THE MINISTRY OF AGRICULTURE HAD SOUTHG TO POLITICIZE RURAL WORKERS; THAT TO OVERCOME ITS DEPRESSION THE AGRICULTURAL SECTOR REQUIRES AGRICULTURAL PRICES BE UNFROZEN; THAT AGRICULTURAL PRICES HAD BEEN FROZEN FOR POLITICAL REASONS; THAT PRESIDENT CALDERA'S "PERMANENT OFFENSIVE ATTITUDE" TOWARD THE PRIVATE SECTOR IS "DEPLORABLE;" AND THAT THE NEW LABOR LAW REGULATIONS HAD NOT BEEN PROMULGATED BEFORE THE DECEMBER 9 ELECTIONS BECAUSE IF THEY HAD THE AVAILABILITY OF AGRICULTURAL PRODUCTS WOULD HAVE BEEN REDUCED, WHICH WOULD HAVE IMPACTED UNFAVORABLY ON THE COPEYANO CANDIDATE. DELFINO COMPARED CALDERA TO AN ESTATE MANAGER WHO, WHEN HIS FIVE-YEAR CONTRACT WAS NOT RENEWED, SET ABOUT SYSTEMATICALLY TO DESTROY THE RECORDS OF HIS STEWARDSHIP AND IMPEDE THE WORK OF THE NEXT MANAGER. DELFINO REJECTED CALDERA'S PROTESTATIONS THAT PROMULGATION OF THE LABOR LAW REGULATIONS WAS "EXTEMPORANEOUS" AND SAID IT WAS "POLITICAL AND DELIBERATE".

3. COMMENT: THE LABOR LAW REGULATIONS DO APPEAR TO THREATEN A BLOW TO VENEZUELA'S AGRICULTURE, WHICH WILL BE HARD PRESSED TO ABSORB HIGHER LABOR COSTS WHILE PRICES FOR BASIC AGRICULTURAL PRODUCTS REMAIN FROZEN. DELFINO'S REMARKS, WHICH WERE CERTAINLY NOT "EXTEMPORANEOUS," AND CONSTITUTE ONE OF THE SHARPEST PUBLIC REBUKES OF CALDERA SINCE HE BECAME PRESIDENT, REFLECT WIDESPREAD DISMAY AND UNEASE AMONG VENEZUELA'S PRIVATE SECTOR AT CALDERA'S RECENT ANNOUNCEMENT OF A SERIES OF NATIONALISTIC AND SOCIALISTIC MEASURES (EXPROPRIATION OF TWO CREOLE OIL CONCESSIONS; RESTRICTION OF OWNERSHIP OF TELEVISION STATIONS TO VENEZUELAN AND POSSIBLE CONVERSION OF LOCAL FOREIGN MILK AND ELECTRIC POWER CONCERNS INTO MIXED CAPITAL COMPANIES - CARACAS 138, 380 AND 128 - IN ADDITION TO THE LABOR LAW REGULATIONS).

4. THERE IS GROWING CONCERN HERE THAT CALDERA, WHO NOW SEEMS TO BE INTENT UPON BUILDING A RECORD AS CHAMPION OF THE LEFT IN VENEZUELA BEFORE HIS DEPARTURE FROM OFFICE TWO MONTHS HENCE, MAY BE ATTEMPTING TO LAY THE GROUNDWORK FOR NATIONALIZATION OF THE PETROLEUM INDUSTRY OR, AT LEAST, GIVE IMPETUS TO A TREND TOWARD GREATER GOVERNMENT IMPINGEMENT UPON THE PRIVATE SECTOR WHICH THE NEXT GOVERNMENT WILL FIND DIFFICULT TO REVERSE. (SEE ALSO CARACAS 400 AND 423.)

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5. THE REJOINDER IN THIS MORNINGS'S PRESS OF THE COPEI PARTY MANAGEMENT ACCUSING FEDECAMARAS OF INDULGIN\* IN "VERBAL AGGRESSION AGAINST THE PRESIDENT" FURTHER INDICATES THE DEGREE TO WHICH POLITICAL CONSIDERATIONS MOTIVATE CALDERA'S ACTIONS.

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